

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TAYLOR COUNTY RURAL ELECTRIC)	
COOPERATIVE CORPORATION PASS-THROUGH)	CASE NO.
OF EAST KENTUCKY POWER COOPERATIVE,)	2010-00183
INC. WHOLESALE RATE ADJUSTMENT)	

O R D E R

On May 27, 2010, Taylor County Rural Electric Cooperative Corporation ("Taylor County") submitted an application to pass through any wholesale rate adjustment granted to East Kentucky Power Cooperative, Inc. ("EKPC") in Case No. 2010-00167.¹ Taylor County submitted its application pursuant to the authority of KRS 278.455(2) and 807 KAR 5:007, Sections 1(3) and 2(2).

In its application, Taylor County described how its proposed pass-through rates were developed:

Taylor County RECC hereby states that the effects of the increase in rates from its wholesale supplier, EKPC, are being passed through to its retail tariffs on a proportional basis and that the rate design structure proposed for each retail rate schedule does not change the rate design currently in effect.

KRS 278.455(2) provides that a distribution cooperative may change its rates to reflect a change in the rate of its wholesale supplier if the effects of an increase or decrease are allocated to each class and within each tariff on a proportional basis that

¹ Case No. 2010-00167, Application of East Kentucky Power Cooperative, Inc. for General Adjustment of Electric Rates (Ky. PSC Jan. 14, 2011).

will result in no change in the rate design currently in effect. Further, 807 KAR 5:007, Section 2(2), provides that the distribution cooperative shall file an analysis demonstrating that the rate change does not alter the rate design currently in effect and that the revenue change has been allocated to each class and within each tariff on a proportional basis.

The Commission has reviewed the approach proposed by Taylor County to pass through the increase in the wholesale rates of EKPC and to allocate such increase to its retail rates. Based upon this review, the Commission finds that Taylor County's approach complies with the provisions of KRS 278.455(2) and 807 KAR 5:007, Section 2(2), and, therefore, should be accepted.

The Commission issued an Order today in Case No. 2010-00167 authorizing a \$43 million annualized increase in EKPC's wholesale rates effective for service rendered on and after today's date. According to Taylor County, this will increase its wholesale power cost by \$1,720,122 annually.²

IT IS THEREFORE ORDERED that:

1. The proposed rates submitted with Taylor County's application are rejected.
2. The approach proposed by Taylor County to allocate its portion of the increase in wholesale rates authorized in Case No. 2010-00167 is accepted.
3. The rates set forth in the tariff sheets in the Appendix hereto are approved for service rendered on and after the date of this Order.

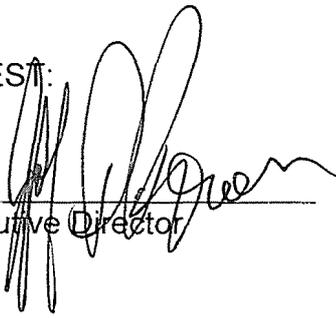
² Supplemental Information filed by Taylor County on December 9, 2010, Item 2.

4. Within 20 days of the date of this Order, Taylor County shall file its revised tariffs with the Commission setting out the rates approved herein and stating that they were approved pursuant to this Order.

By the Commission

ENTERED ✓
JAN 14 2011
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTES:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00183 DATED JAN 14 2011

FOR ALL TERRITORY SERVED

P.S.C. KY No.

Sheet No. 39

TAYLOR COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION

Cancelling P.S.C. No.

Sheet No.

=====
CLASSIFICATION OF SERVICE
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SCHEDULE A - FARM AND HOME SERVICE
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APPLICABILITY

Applicable to residential consumers subject to the established rules and regulations of the Seller. The capacity of individual meters served under this schedule shall not exceed 7.5 H.P. Not applicable to loads having demands greater than 50 KW.

TYPE OF SERVICE

Single phase, 60 cycles, at available secondary voltage.

MONTHLY RATE

Customer Charge \$7.94 per meter per month (I)
All kWh per month \$0.08896 per kWh (I)

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

MINIMUM CHARGES

The minimum monthly charge under the above rate shall be \$7.94 (I) net where 10 KVA or less of transformer capacity is required. Each consumer who requires more than 10 KVA of transformer capacity shall pay, in addition to the above minimum \$.86 for each additional KVA or fraction thereof required. Payment of the minimum monthly charge shall entitle the member in all cases to the use of the number of kilowatt-hours corresponding to the minimum charge in accordance with the foregoing rate.

=====
DATE OF ISSUE May 27, 2010 EFFECTIVE Service rendered on and
after July 1, 2010
PO Box 100
ISSUED BY _____ Manager, Campbellsville, KY 42719
(Name of Officer) (Title) (Address)
Issued by authority of an Order of the Public Service Commission of
Kentucky in Case No. 2010-00183 dated _____.

FOR ALL TERRITORY SERVED

P.S.C. KY No.

Sheet No. 41

TAYLOR COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION

Cancelling P.S.C. No.

Sheet No.

CLASSIFICATION OF SERVICE

SCHEDULE GP - GENERAL PURPOSE SERVICE

APPLICABILITY

Applicable to small commercial, churches, community centers, industrial, public buildings, and three-phase farm service, including lighting, heating and power, subject to the established rules and regulations of the Seller.

CHARACTER OF SERVICE

Single-phase or three-phase, 60 cycles, at available secondary voltages.

MONTHLY RATE

PART I (For demands less than 50 KVA)

Demand Charge: None

Energy:

Customer Charge	\$8.15 per meter per month	(I)
All KWH per month	\$0.08913 Per KWH	(I)

Minimum Monthly Charges:

\$8.15 where 3 KVA or less of transformer capacity is required. (I)
Each consumer who requires more than 3 KVA of transformer capacity shall pay, in addition to the above minimum, \$.86 for each additional KVA or fraction thereof required. Where the minimum charge is increased in accordance with the terms of this section, additional energy therefore may be taken in accordance with the terms of the foregoing schedule.

DATE OF ISSUE May 27, 2010

EFFECTIVE Service rendered on and
after July 1, 2010

PO Box 100

ISSUED BY _____ Manager, Campbellsville, KY 42719
(Name of Officer) (Title) (Address)

Issued by authority of an Order of the Public Service Commission of
Kentucky in Case No. 2010-00183 dated _____.

FOR ALL TERRITORY SERVED

P.S.C. KY No.

Sheet No. 42

TAYLOR COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION

Cancelling P.S.C. No.

Sheet No.

CLASSIFICATION OF SERVICE

SCHEDULE GP - GENERAL PURPOSE SERVICE (continued)

PART 2 (for loads requiring 50 KVA and above
installed transformer capacity)

Demand Charge:	\$ 5.32 per KW of billing demand	(I)
Energy Charges:		
Customer Charge	\$49.78 per meter per month	(I)
All KWH per month	\$ 0.06866 Per KWH	(I)

DETERMINATION OF BILLING DEMAND

The billing demand shall be the maximum kilowatt demand established by the consumer for any period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as provided below.

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as nearly as practicable. The measured demand will be adjusted to correct for consumers with 50 KW or more of measured demand to correct for average power factors lower than 90 per cent. Such adjustments will be made by increasing the measured demand 1 percent for each 1 percent by which the average power factor is less than 90 percent lagging.

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed ten percent (10%) and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

DATE OF ISSUE May 27, 2010

EFFECTIVE Service rendered on and
after July 1, 2010
PO Box 100

ISSUED BY _____ Manager, Campbellsville, KY 42719
(Name of Officer) (Title) (Address)

Issued by authority of an Order of the Public Service Commission of
Kentucky in Case No. 2010-00183 dated _____.

Form For Filing Rates Schedules

For All Territory Served

Taylor County Rural Electric
Cooperative Corporation
 Name of Issuing Corporation

PSC KY No. _____
 SHEET No. 69
 Canceling PSC KY NO _____
 Revised Sheet No. 69

CLASSIFICATION OF SERVICE

Residential Marketing Rate – Schedule R-1

APPLICABLE

In all territory served.

AVAILABILITY

This special marketing rate is available for specific marketing programs as approved by Taylor County Board of Directors. The electric power furnished under this marketing program shall be separately metered for each point of delivery and is applicable during the below listed off-peak hours. This rate is available to consumers already receiving service under Schedule A, Farm and Home Service Rate. This marketing rate applies only to programs which are expressly approved by the Kentucky Public Service Commission to be offered under the Marketing Rate of East Kentucky Cooperative Wholesale power Rate Schedule A.

<u>Months</u>	<u>Off-Peak Hours - EST</u>
May through September	10:00 P.M. to 10:00 A.M.
October through April	12:00 P.M. to 5:00 P. M. 10:00 P.M. to 7:00 A.M.

TYPE OF SERVICE

Single phase, 60 Hertz, at available secondary voltage.

RATES

The energy rate for this program is:

All kWh	\$0.05337	(I)
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Date of Issue May 27, 2010 Date Effective Service rendered on and after July 1, 2010.

Issued By _____ Title Manager
 Name of Office _____

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. 2010-00183 dated _____.

Form For Filing Rates Schedules

For All Territory Served Page 6 of 11

Taylor County Rural Electric
Cooperative Corp.
Name of Issuing Corporation

PSC KY No. _____
SHEET No. 71
Canceling PSC KY No. _____
Revised Sheet No. 71

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C1

Availability

Applicable to contracts with demands of 500 to 4,999 KW with a monthly energy usage equal to or greater than 400 hours per KW of billing demand. These contracts will be two "two-party" contracts with the first one being between the Seller and the Cooperative association and the second one being between the Seller and the ultimate consumer.

Monthly Rate

Consumer Charge	\$1,225.55		(I)
Demand Charge	\$6.18	per kW of billing demand	(I)
Energy Charge	\$0.05985	per kWh	(I)

Billing Demand

The monthly billing demand shall be the greater of (a) or (b) listed below:

- (a) The contract demand
- (b) The ultimate consumer's peak demand during the current month or preceding eleven months. The peak demand shall be the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

Date of Issue: May 27, 2010 Date Effective: Service rendered on and after July 1, 2010

Issued By: _____ Title: Manager
(Name of Officer)

Issued by authority of an order of the Public Service Commission of Kentucky in Case No. 2010-00183 dated _____.

Form For Filing Rates Schedules

For All Territory Served

Taylor County Rural Electric
Cooperative Corp.

PSC KY No. _____

SHEET No. 74

Name of Issuing Corporation

Canceling PSC KY No. _____

Revised Sheet No. 74

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C2

Availability

Applicable to contracts with demands of 5,000 to 9,000 KW with a monthly energy usage equal to or greater than 400 hours per KW of billing demand. These contracts will be two "two-party" contracts with the first one being between the Seller and the Cooperative association and the second one being between the Seller and the ultimate consumer

Monthly Rate

Consumer Charge	\$2,863.82		(I)
Demand Charge	\$6.18	per kW of billing demand	(I)
Energy Charge	\$0.05412	per kWh	(I)

Billing Demand

The monthly billing demand shall be the greater of (a) or (b) listed below:

- (a) The contract demand
- (b) The ultimate consumer's peak demand during the current month or preceding eleven months. The peak demand shall be the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
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(Name of Officer)

Issued by authority of an order of the Public Service Commission of Kentucky in Case No. 2010-00183 dated _____.

Form For Filing Rates Schedules

For All Territory Served Page 8 of 11

Taylor County Rural Electric
Cooperative Corp.
Name of Issuing Corporation

PSC KY No. _____
SHEET No. 77
Canceling PSC KY NO. _____
Revised Sheet No. 77

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C3

Availability

Applicable to contracts with demands of 10,000 KW and over with a monthly energy usage equal to or greater than 400 hours per KW of billing demand. These contracts will be two "two-party" contracts with the first one being between the Seller and the Cooperative association and the second one being between the Seller and the ultimate consumer

Monthly Rate

Consumer Charge	\$3,416.40		(I)
Demand Charge	\$6.18	per kW of billing demand	(I)
Energy Charge	\$0.05298	per kWh	(I)

Billing Demand

The monthly billing demand shall be the greater of (a) or (b) listed below:

- (a) The contract demand
- (b) The ultimate consumer's peak demand during the current month or preceding eleven months. The peak demand shall be the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

Date of Issue: May 27, 2010 Date Effective: Service rendered on and after July 1, 2010

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(Name of Officer)

Issued by authority of an order of the Public Service Commission of Kentucky in Case No. 2010-00183 dated _____.

Form For Filing Rates Schedules

For All Territory Served **Page 9 of 11**

Taylor County Rural Electric
Cooperative Corp.

PSC KY No. _____
SHEET No. 80

Name of Issuing Corporation

Canceling PSC KY No. _____
Revised Sheet No. 80

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule B1

Availability

Applicable to contracts with demands of 500 to 4,999 KW with a monthly energy usage equal to or greater than 400 hours per KW of billing demand.

Monthly Rate

Consumer Charge	\$1,225.55	(I)
Demand Charge per kW of Contract Demand	\$6.18	(I)
Demand Charge per kW for Billing Demand in Excess of Contract Demand	\$8.96	(I)
Energy Charge per kWh	\$0.05985	(I)

Billing Demand

The monthly billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand during the current month exceeds the contract demand. The load center's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

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Form For Filing Rates Schedules

For All Territory Served

Taylor County Rural Electric
Cooperative Corp.

PSC KY No. _____

SHEET No. 83

Name of Issuing Corporation

Canceling PSC KY No. _____

Revised Sheet No. 83

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule B2

Availability

Applicable to contracts with demands of 5,000 to 9,999 KW with a monthly energy usage equal to or greater than 400 hours per KW of billing demand.

Monthly Rate

Consumer Charge	\$2,863.82	(I)
Demand Charge per KW of Contract Demand	\$6.18	(I)
Demand Charge per KW for Billing Demand in Excess of Contract Demand	\$8.96	(I)
Energy Charge per KWH	\$0.05412	(I)

Billing Demand

The monthly billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand during the current month exceeds the contract demand. The load center's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

Date of Issue: May 27, 2010 Date Effective: Service rendered on and after July 1, 2010

Issued By: _____ Title: Manager
(Name of Officer)

Issued by authority of an order of the Public Service Commission of Kentucky in
Case No. 2010-00183 dated _____.

Form For Filing Rates Schedules

For All Territory Served Page 11 of 11

Taylor County Rural Electric

PSC KY No. _____

Cooperative Corp.

SHEET No. 86

Name of Issuing Corporation

Canceling PSC KY No. _____

Revised Sheet No. 86

CLASSIFICATION OF SERVICE**Large Industrial Rate - Schedule B3****Availability**

Applicable to contracts with demands of 10,000 KW and over with a monthly energy usage equal to or greater than 400 hours per KW of billing demand.

Monthly Rate

Consumer Charge	\$3,416.40	(I)
Demand Charge per KW of Contract Demand	\$6.18	(I)
Demand Charge per KW for Billing Demand in Excess of Contract Demand	\$8.96	(I)
Energy Charge per KWH	\$0.05298	(I)

Billing Demand

The monthly billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand during the current month exceeds the contract demand. The load center's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

Months**Demand Billing - EST****Hours Applicable for**

October through April

7:00 a.m. to 12:00 noon
5:00 p.m. to 10:00 p.m.

May through September

10:00 a.m. to 10:00 p.m.

Date of Issue: May 27, 2010 Date Effective: Service rendered on and after July 1, 2010Issued By: _____ Title: Manager
(Name of Officer)Issued by authority of an order of the Public Service Commission of Kentucky in
Case No. 2010-00183 dated _____.

Barry L Myers
Manager
Taylor County R.E.C.C.
625 West Main Street
P. O. Box 100
Campbellsville, KY 42719

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